



## State of Utah

### Department of Natural Resources

ROBERT L. MORGAN  
*Executive Director*

### Division of Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

October 22, 2004

Robert Steele  
1055 North 400 East  
Nephi, Utah 84648

Subject: Termination of Division Directive and Acceptance of Reclamation Surety,  
HiCal #1 Mine, M/023/071, Juab County, Utah

Dear Mr. Steele:

On March 1, 2004, the Division issued you a Division Directive for your HiCal #1 mine site because the site had expanded beyond the five approved acres for a small mining operation, without posting surety or receiving prior approval. You were directed to: 1) post a \$20,000 transitional surety; 2) mark boundaries of the current disturbed area (now 6 acres); and 3) submit the remaining technical information for your large mining application.

On April 15, 2004, we received two copies of your response to our technical review (one of which was forwarded to the BLM for their review). The \$20,000 surety was posted by Gary Burningham on October 13, 2004. We have enclosed copies of the Reclamation Contract and surety (Certificate of Deposit) for your files. Therefore, the Division Directive is now satisfied and is hereby officially terminated. Please ensure that the boundary of the current disturbance has been clearly marked. Thank you for taking care of this situation.

Now that the Division's enforcement rules are in place, any expansion in the future, without first receiving written approval from this office and the BLM will be an immediate violation with penalties and fines attached.

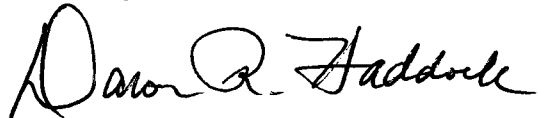
When we are prepared to issue tentative approval for your large mining application, we will publish our notice of intention to issue final approval in the Juab and Salt Lake area newspapers, which will begin a 30-day public comment period. If no adverse comments are received by the end of the 30-day timeframe, we will then be prepared to issue final approval. When tentative approval is reached, the \$20,000 surety amount may need to be adjusted either up or down, which would have to be finalized before final approval can be granted.

**Please be advised that you must also have BLM approval before mining operations can commence.** Please copy any future correspondence you have with the Division to the BLM field office so as not to delay any action on their part.

Robert Steele  
Page 2 of 2  
M/023/071  
October 22, 2004

Thank you for your help in finalizing this permitting action. If you have any questions regarding this letter, please contact me at (801) 538-5325 or Tom Munson at (801) 538-5321.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:jb

Enclosure: copy of Reclamation Contract and CD

cc: Gary Burningham, Operator w/encl

Opie Abeyta, BLM State Office w/encl

Jerry Mansfield, BLM, Fillmore FO (UTU- 078294) w/encl

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